

## ATTACHMENT A.

12 February 1947

Provincial Government of Saxony-Anhalt  
Minister for Economy and Trade  
Main Division of Economics  
Han/SI.

To the Judiciary....

To the Auditor....

Subject: Liquidation of the companies whose assets have for  
the most part passed over to Russian AGs.

In reference to the orders issued in autumn of last year, I  
am requesting you to inform me immediately on the following  
accounts for the German remainder of the companies under your  
jurisdiction:

1. Total amount of the firm's available assets.
2. Total of the transfer value and distribution according to  
balance items.
3. Liquid assets of the firm which are immediately realizable.
4. Assets received in the firm because their inclusion was  
required in the so-called value compensation items  
(Wertausgleichsposten) according to the regulations of the  
Central Financial Administration.
5. Total amount of liabilities and distribution of the amount  
according to balance items.
6. Distribution of the liabilities with reference to the  
terminal date 8 May 1945.
7. Total of delivery liabilities received after 8 May 1945 and  
estimates as to how far they have been adjusted meanwhile.
8. Total of preferred liabilities with reference to legal  
regulations.
9. Total of liabilities to the Bank of the Province of Saxony,  
also with reference to the terminal date 8 May 1945.
10. Total of possible mortgages on land and rent obligations by  
declaration of the mortgagees, as far as amounts over 50,000  
RM are involved.
11. Where a difference between transfer value and book value  
exists, I request you to indicate this as surplus or deficit.

The terminal date set for these estimates is 31 January 1947.  
I further request that these questions be answered for each  
individual enterprise and that answers should be returned in  
as short a time as possible.

Signed: Fansen

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ATTACHMENT B.

Richard Regensburger (19) Wernigerode, 14 March 1947  
Economic Deputy in the County Council Landratsamt, telephone 3021-25  
of Kreis Wernigerode

To the Provincial Government of Saxony-Anhalt  
Ministry for Economy and Trade  
Halle/Saale, Willy-Lohmann-Strasse 7

Subject: Klöckner-Werke in Ilsenburg

Enclosed you will find Number 5 of the minutes of the transfer of the wheel-set factory Klöckner-Werke to the possession of the Soviet Union. Please return these minutes for my files at your convenience after you have studied them.

I point out in the minutes that all assets of the Klöckner-Werke were taken over, including a piece of ground containing 9925 square meters and buildings and property, which according to the concept of BGB were not the possessions of the Klöckner-Werke, Ilsenburg, but were merely in their hands as lessees. The real estate and buildings referred to belonged formerly to Fürst-Stolberg-Filtte and have now passed to the Industriewerke of the Province of Saxony-Anhalt. An agreement to the effect that these properties were not to be taken over could not be obtained from the SMA. I informed the SMA that neither the real estate nor the buildings belonged to the Klöckner-Werke but were merely represented in their possession, whereupon I was told that ownership had no value, only possession. The deed of conveyance I therefore approved in this sense also, since in all previous proceedings only possession and not ownership had been intended.

Since no clarification is available here, I suggest that regulation of the matters be made at the center, particularly since similar cases must have occurred in other Kreises.

Signed: Regensburger

13 January 1947

List of the Documents Accompanying This Deed

1. Deed for the conveyance and transfer of the Klöckner-Werke, Ilsenburg
2. Inclusive report, showing the total of all values of materials -- 113 points -- to 1,967,674 R.
3. Report on the fixing of prices and the method.
4. Certificate of the authenticity of the completed estimate.
5. Attachments to the certificate of the authenticity of the completed estimate.
6. Documents certifying the warrant of authority of the persons who participated in the act of conveyance and transfer.
7. Fixing of price of the real estate.
8. Agreement for fixing the price of the equipment, 43 points, two pages, Form Sheet No. 1.
9. Appendix to Form Sheet No. 1
10. Agreements on the fixing of the price of the buildings and establishment, 7 points, Form Sheet No. 2.
11. Appendix to Form Sheet No. 2

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## ATTACHMENT B - Page 2

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12. Agreements for fixing the price of raw and other materials, 2 points, Form Sheet No. 3
13. Agreements for fixing the price of tools and appliances, 21 points, Form Sheet No. 4
14. Agreements for fixing the price of finished products, 38 points, Form Sheet No. 6
15. Ground plan of the Klöckner-Werke, Ilsenburg.
16. Cross section through the factory rooms.

Ilsenburg

13 January 1947

## Deed

In accordance with the order of the head of the government of the Soviet Military Administration of the Province of Saxony, Number 232, of 6 November 1946, we the undersigned, representatives of the Soviet Military Administration of the Province of Saxony, First Lieutenant Kosupiza, and the plenipotentiary of the Soviet AG for Construction of Means of Transport (Transportmittelbau), A.K. Gribachev, for settling the reparations accounts of Germany with the Soviet Union, do accept, and the plenipotentiary of the president of the Province of Saxony, Regensburger, and Fritz Schumann, in fulfillment of Order No. 9 of the upper chief of SMA, do surrender the Klöckner-Werke, Ilsenburg, and the total possessions belonging to the same and its capital assets; and also, with the assistance of experts, a valuation of the same has been established according to the instructions and directions of the Soviet Military Administration in Germany, for which this deed was drawn up. In the conveyance-acceptance, the following are submitted:

1. The value of the property of 9925 square meters in area, on which the factory and transformer station are located, amounts to 9,925 RM
2. The remaining value of the conveyed and accepted equipment, machines, and aggregate of the factory according to the accompanying report, Form Sheet No. 1 with attachments, amounts to 754,000 RM
3. The remaining value of the conveyed and accepted buildings and grounds, according to the accompanying report, Form Sheet No. 2 with attachments, amounts to 261,954 RM
4. The remaining value of the received and accepted raw and auxiliary materials, according to the accompanying report, Form Sheet No. 3 1,239 RM
5. The remaining value of the conveyed and accepted tools and appliances, according to the accompanying report, Form Sheet No. 4 28,225 RM
6. The remaining value of the conveyed and accepted completed products, according to the accompanying report, Form Sheet No. 6 912,331 RM
7. The total remaining value of the conveyed and accepted objects of value, according to the accompanying inclusive report, is 1,967,674 RM

(One million nine hundred sixty-seven thousand six hundred seventy-four RM.)

The plenipotentiary of the Soviet Military Administration

First Lieutenant Signed: Kosupiza

The plenipotentiary of the Soviet AG for Construction of Means of Transport (Transportmittelbau) Signed: Gribachev

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ATTACHMENT B - page 3

The plenipotentiary of the local government of the Province of  
Saxony Signed: Regensburger

The director entrusted with the surrender of the factory  
Signed: Schumann

Experts: Signed: Grosch

Signed: Busch

L.S.

b.w.

The signatures of Richard Regensburger in Wernigerode, Am grossen  
Bleek 28, and of Director Fritz Schumann in Ilsenburg, Fagens-  
bergstrasse 19, were given before me and are hereby authenticated.

No. 24 of the Record Rolls, Year 1947  
Wernigerode, 13 January 1947

Signed: Dr. Voigt, Notary

Other attested signatures follow.

Inclusive Report of the Evaluation

Dated 13 January 1947

Firm name of the factory: Klöckner-Werke Ilsenburg

Place: Ilsenburg

Factory or division: Wheel-set factory (Radsatzfabrik)

Industrial group: Construction of means of transport (Transport-  
mittelbau)

Description of the factory:

The Klöckner-Werke began its activity in Ilsenburg in 1943,  
after the partial evacuation of the principal plant, which  
is located in Osnabrück.

The area used for the business includes 9925 square meters;  
the equipment consists of 43 units.

In essentials, the production consists of manufacturing railroad  
car wheel-sets for wide-gauge tracks and of reconstructing  
locomotive wheel-sets.

Up to the present, no sort of building work has been carried  
out. The final value of the factory is:

1,967,674 RM

Signatures of the Commission:

(four signatures)

Signature

(for the German factory)

Report

Dated 13 January 1947

concerning the fixing of the price of the equipment and the total  
material value of the Klöckner-Werke Ilsenburg for the conveyance  
of the same to the possession of the Soviet Union.

Since the main factory with the most important documentary evidence  
is located in Osnabrück, in most cases vouchers for purchase prices of  
supplies are lacking for the factory in Ilsenburg. On this account,  
different methods had to be employed for ascertaining the prices.

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## ATTACHMENT B - page 4

1. The appraisal of the real estate was carried out by experts in accordance with local real estate conditions, in which a square meter is valued at one RM.
2. The estimate of equipment was made for the most part on the basis of an inventory which had been put at the disposal of the bookkeeping section of the Ilseburg factory by the Osna-brück factory.
3. The appraisal of the buildings was concluded by experts on the basis of cubic measure and building type.
4. The evaluation of the materials was accomplished by estimates with the aid of experts.
5. The fixing of prices for tools and appliances was taken in part from catalogs, and in some cases on the basis of weight according to Form Sheet 11.
6. The evaluation of finished products was concluded by calculation from cost prices.

In this manner, the following totals were compiled:

Form Sheet No.	Description of Objects	Value in 1938	Remaining Value
1	Real estate	9,925	9,925
Attach to 1	Equipment	982,323	743,700
2	Buildings and installations	43,430	10,300
Attach to 2		399,030	260,454
3	Various material	11,830	1,500
4	Tools and appliances	1,239	1,239
6	Completed products	32,598	28,225
		912,331	912,331
	Totals	2,392,706	1,967,674

Four signatures

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ATTACHMENT C

I. SIA Orders for Absorbing Firms into the Soviet AG for Heating Industry

Order  
of the Head of the Administration of SIA of the Province of Saxony  
24 July 1946 No. 171 City of Halle.

Contents: Transfer of Schwelerei Gölzau to the account of German reparations for the USSR and its surrender to the Soviet AG der Heizungsindustrie

In fulfillment of the order of the highest chief of the SIA-commander in chief of the group of the Soviet occupation forces in Germany from 8 March 1946.

I order:

1. Dr. Lange to convey Schwelerei Gölzau and its entire assets to the account of German reparations for the USSR, to Pavel Petrovich Gorbunov, named as general director of Schwelerei Gölzau and plenipotentiary of the Soviet AG for Heating Industry for the acceptance and administration of the factory.
2. A commission to be formed to take over Schwelerei Gölzau, consisting of General Director Pavel Petrovich Gorbunov; Captain Ivan Nikolayevich Gvysannikov, representative of SIA of the Province of Saxony; and Otto Schubert,\* named by the president of the province as representative of the government of the Province of Saxony.
3. The conveyance and acceptance of Schwelerei Gölzau to the Soviet AG for the Heating Industry to be carried out and the documentation and evaluation to be made according to the instructions and directions of SIA in Germany.
4. For the determination of debt obligations and other assets and liabilities of the above named factory, which are not to be taken over by the Soviet AG, the German provincial administration shall be charged with forming a liquidation commission.

Head of the Administration of SIA of the Province of Saxony  
Signed: Major General Shlyakhtenko  
Chief of Staff of the Administration of SIA of the Province of Saxony

Signed: Major General Sidorov

\*Pated as deputy plenipotentiary of the president of the Province of Saxony for the conclusion of the transfer, according to a teletype from Gerhardt 27-7-46.

II. Order No. 233 of 6 November 1946, concerning the transfer of the Kombinate Kurt (Kurt Mine and Power Station) in Weissandt-Gölzau, duplicates Order No. 171 word for word and bears the same signatures, with the addition of that of Captain Poloshko, head of the office (Kanzlei) of SIA.

III. Summary of a conference on the liquidation of Kohlenveredlungs- und Schwelwerke AG, Weissandt-Gölzau near Elber, 9 May 1947

The firm was absorbed by the Soviet AG in November 1946 with a transfer value of about 10.2 million RM, although the value in 1938 was twenty million RM. The effective value in a regular sale would be about eighteen million RM. Undervaluation was most pronounced in the machine and industrial sections, which were evaluated at about six to seven million RM, for an actual value of about nineteen million RM.

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ATTACHMENT C - page 2

The liquidation estate cash assets of over one million RM will not cover total indebtedness if a loan of two and a half million RM is to be paid. The creditors are AEG and EIG (Elektrizitäts-Lieferungs-Gesellschaft) in Berlin, who are also stockholders in the firm. The factory personnel include about 2000 men, with an average monthly payroll of 300 to 500 RM (after wages were raised). The firm is losing money because of the higher wages and a very large contribution to administration costs of the main company in Leipzig. Production cannot be stabilized at earlier levels because the work capacity of laborers has decreased from malnutrition, in spite of increased food rations.

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ATTACHMENT D

Treuverkehr

Deutsche Treuhand-Aktiengesellschaft, Auditing Company, Branch  
Office Naumburg/Saale

To the Provincial Government of Saxony-Anhalt Naumburg/Saale  
The Minister for Economy and Trade 8 April 1947  
Main Division Economics  
Department of New Order of Economy (Neuordnung der Wirtschaft)  
Halle/Saale, August-Bebel-Strasse 13 771/751/Pr.

Subject: Liquidation of companies the greater part of whose assets  
has been transferred to Russian AGs  
GKZ Vereinigte Ost-und Mitteldeutsche Zement AG, Werke  
Sachsen, Mienburg  
Your letter of 11 February 1947

The requested estimates could not be made for 31 January 1947 with-  
out great difficulty because no vouchers corresponding to this  
terminal date existed. For this reason 31 December 1946 was set as  
terminal date, with the consent of auditor Hansen.

1. The total amount of available assets (entire assets total) is:	RM	10,987,658.18
2. The total transfer value is:		9,880,447.00
This amount is distributed in the following items:		
Built up land with		
Business and residential	510,819.00	
buildings		
Factory buildings	1,508,758.00	
Vacant land	1,865,413.00	
Machines and machine installa- tions	3,272,179.43	
Tools, business and commercial establishment	80,932.61	
Raw, auxiliary, and industrial materials	2,027,669.34	
Half finished products	240,523.00	
Finished products	374,159.82	
3. The immediately available liquid assets are		
Postal checking balance	741.52	
Other bank balances - current cash (Neugeld)*	637,627.94	638,369.46

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\* Comment: The term Neugeld is taken to mean available cash  
not blocked by the Russians; Altgeld is correspondingly money in  
blocked accounts.

4. Items of the estate whose inclusion among value compensation items was required total:		
Other bank balances - old accounts (Altgeld)*	10,150.00	
Claims for delivered goods and services	428.00	
Other claims	456.68	11,034.68
5. Total sum of liabilities includes:	716,563.29	
Reserves for uncertain debts	286,406.00	
Passive Rechnungsabgrenzungsposten	11,011.38	1,013,980.67

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ATTACHMENT D - page 2

The liabilities are distributed among the following items:

Payments from customers	310,356.08	
Liabilities for delivered goods and services	372,591.38	
Aid fund for OKZ	5,105.33	
Liabilities to banks	313.00	
Other liabilities	<u>28,197.50</u>	716,563.29

6. Breakdown of liabilities with reference to the terminal date 31 May 1945

	Before 6-5-45	After 8-5-45	Total
Reserves for uncertain debts	—	286,406.00	286,406.00
Payments from customers	613.92	309,742.16	310,356.08
Liabilities for delivered goods and services	194,143.24	178,448.14	372,591.38
Aid fund for OKZ	—	5,105.33	5,105.33
Liabilities to banks	—	313.00	313.00
Other liabilities	2,764.00	25,432.50	28,197.50
Passive Rechnungsabgrenzungsposten	—	11,011.38	11,011.38
	<u>197,522.03</u>	<u>816,458.61</u>	<u>1,013,980.67</u>

7. Total of delivery liabilities received between 8-5-45 and 1-8-46  
Regulated delivery liabilities from then to 31-12-46  
Remaining on 31-12-46

475,515.24
<u>297,067.10</u>
178,448.14

8. Preferred liabilities amount to:  
Preferred reserves for uncertain debts amount to:

34,846.10
<u>275,406.00</u>
310,254.10

9. There was no outstanding liability to the Bank of the Province of Saxony on 31 May 1945 or later.

10. No land and rent indebtedness exists.

11. Altogether, in the transfer of the installations and supplies of Zementwerke Rienburg to the Soviet AG for Building Materials in Berlin, there was a deficit between the transfer value and the book value of 31 July 1946 amounting to:

42,865.80

We obtained the above information from our auditor's report, to which we beg leave to refer.

Respectfully,

Treuverkehr  
Deutsche Treuhand Aktiengesellschaft

D.f.L., Hbg.

(two signatures)

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ATTACHMENT E

Subject: Gottfried Lindner, Ammendorf

1. Total amount of immediately realizable assets (without transfer value and without value compensation items): RE  
3,220,345.87
2. Transfer value Transfer value Business balance value Transfer surplus
  - a. Property
 

Factory fittings	1,858,841.00	336,165.00	1,522,676.00
Buildings	5,534,403.00	2,770,443.00	2,763,960.00
Tools and appliances	817,164.00	5.00	817,159.00
	<u>8,210,408.00</u>	<u>3,106,613.00</u>	<u>5,103,795.00</u>
  - b. Supplies
 

Raw materials	4,113,562.00	4,070,350.14	43,211.86
Half finished and finished goods	1,649,759.00	1,208,211.98	441,547.02
	<u>5,763,321.00</u>	<u>5,278,562.12</u>	<u>484,758.88</u>
  - c. Totals
 

	13,973,729.00	8,385,175.12	5,588,553.88
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Breakdown of transfer value to Ammendorf and Dresden

	Ammendorf	Dresden	Total
a. Property	7,920,883.00	239,527.00	8,160,410.00
b. Supplies	5,419,279.00	344,042.00	5,763,321.00
	<u>13,400,167.00</u>	<u>573,562.00</u>	<u>13,973,729.00</u>
3. Liquid assets immediately available amount to: 329,027.63
4. Assets not held in the estate, whose inclusion in the value compensation items was required according to the regulations of the Central Financial Administration:
 

Frozen bank balances	5,965,485.14		
Claims to the Reich	1,057,580.93		
Securities	22,381.50		
Other claims	<u>640,608.07</u>		<u>7,686,055.64</u>
- 5 and 6. Total liabilities, distributed according to balance items and relation to the terminal date 8 May 1945.

	Before 8-5-45	After 8-5-45	As of 31-1-47
Mortgage indebtedness	-	1,259,483.76	1,259,483.76
Payments from customers	132,212.85	158,207.20	290,420.05
Delivery and service debts	1,693,708.20	26,123.58	1,719,831.86
Liabilities to firm enterprises	-	292,252.57	292,252.57
Liabilities to workshops	-	141,159.39	141,159.39
Other liabilities	-		
Assistance society	-	730,256.20	730,256.20
Owed dividends	404,170.00	-	404,170.00
Other liabilities	-	27,644.06	27,644.06
Preferred liabilities	-	716,771.46	716,771.46
Lump costs, indebtedness, etc.	-	100,000.00	100,000.00
	<u>2,230,001.13</u>	<u>3,451,892.22</u>	<u>5,661,989.35</u>

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ATTACHMENT E - page 2

In addition to the liabilities given above, there are about 1.4 million RM possible liabilities from goods deliveries shipped but not received from the west from the period before 8 May 1945.

7. Total of liabilities for deliveries received after 8 May 1945, estimated as to how far these have been regulated meanwhile.

Of the delivery and services indebtedness received after 8 May 1945, on 31 January 1947, there remained open

26,123.58.

8. Total of preferred liabilities in terms of fixed statements:

	RM
Trade tax, 1944	123,904.56
Estate tax, 1944	22,932.50
Corporation tax, 1944	440,954.00
Corporation tax, 1946	120,000.00
Turnover tax (Umsatzsteuer)	733.70
Contribution to chamber of commerce and industry	4,000.00
Other contributions	646.70
Auditing costs	3,600.00
Mass costs and indebtedness	100,000.00

816,771.46

9. Total liabilities to the Bank of the Province of Saxony: None

10. Total possible land and rent indebtedness from claims of mortgagees:

Rheinische Hypothekenbank, Berlin 1,248,753.83

Sparkasse der Stadt Köln 10,729.93 1,259,483.76

11. Transfer value: See Section 1.

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ATTACHMENT F

Auditor Peter Wissel  
Deutsche Revisions- und Treuhand  
Aktiengesellschaft  
Branch Establishment Naumburg/Saale  
Auditing Company

Halle/Saale, Strosemannplatz 2  
Naumburg/Saale, 13 May 1947  
Domplatz 3  
Telephone: Halle 22470

To the Provincial Government of Saxony-Anhalt  
Division of Economy and Trade  
For Justiciary Hauke  
Halle/Saale

Subject: Eisen-und Hüttenwerke Thale/Harz

Dear Mr. Hauke:

With reference to today's conference, I enclose a summary of my short report to Hansen on the most important items of the liquidation balance; the attachments mentioned therein I gave you this morning.

For the evaluation of the property taken over by the Soviet AG and its interests, I mention the following additional data:

1. Thale is an old factory; the value of a large number of the buildings and machines can no longer be calculated on the basis of estimates for depreciation established in the general directions for the transfer. Since these older appliances are still entirely in use, however, it has been successfully urged by the German interests that they are undoubtedly still valuable; the general instructions for this have been so set forth that the 22 percent remaining value of individual buildings and machines is considered their value. Calculated in this way, the transfer values for the property assets given in the Attachment are about 23,891,000 RM (part of the total transfer value of about 35,490,000 RM). The amount forms almost 34 percent of the purchase value of the property assets.

On the Russian side, a reservation as supplement to the transfer contract has been made to the effect that a correction would be necessary in case a lower remaining value appeared proper under new general instructions.

If the general instructions were construed that the 22 percent of the purchase value applies not to each individual object but to the total property, a considerable decrease in the transfer value would result (about eight million RM).

2. The shares shown in Attachment II were evaluated in the transfer contract as totals of all assets and liabilities and were taken over to the Soviet AG. In the course of the transaction, it was once urged by the Russian side that only the transfer of property and supplies of the sharing companies was under consideration. The viewpoint represented by the German side, however, shows the transfer of the sharers as integers. It has never been excluded from my opinion that the Russians still return in this question to their already advanced claims for separation of claims and, before everything, of liabilities for the transfer.

As notation on the transfer contract, however, only a proviso was made concerning the two purely trade companies Wagner & Lange and Hagel to the effect that a decision must still be reached on whether these will be transferred at all.

For the transfer, the intrinsic value of the shares has been established considerably above the book value.

Respectfully,

Signed: Wissel

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ATTACHMENT F - page 2

Liquidation Balance of the Eisen- und Hüttenwerke Thale on 31 December 1946

Assets

Before 9-5-45 After 8-5-45

Claims		
Mortgages	12,750.00	-
Payments made	445,731.95	38,959.95
Based on goods deliveries and services	11,970,779.99	664,380.51
To Eisen- und Hüttenwerke AG	4,947,920.54	5,534.47
To companies of the Otto-Wolf concern	457,944.33	6,129.44
To participating companies	33,423.48	1,015.47
To participating companies of the Metallurgy AG	4,000.00	68,756.84
To the Metallurgy AG	-	421,244.84
Postal checking and national bank balances	393,526.85	110,506.79
Credit accounts in banks	33,000.00	137,333.47
Other bank balances	135,508.50	-
Other claims	1,157,915.33	118,166.36
Claims from the period after 8 May 1945		1,572,110.14
Claims from the period before 9 May 1945	19,592,500.97	
Shares	120,775.20	
Value compensation items	19,713,276.17	
Deducting value corrections	8,867,937.50	10,845,338.67
Transfer value of the part of the assets surrendered to the Metallurgy AG		35,490,785.89
		<u>47,908,234.70</u>

Liabilities

Liabilities		
Reserves	485,030.33	92,133.78
Loans -- 15,000 to 20,398	305,970.00	-
Payments received	174,436.60	117,656.85
Based on goods deliveries and services	1,874,453.58	292,278.23
Concerning companies of the Otto-Wolf concern	2,526.66	204,362.55
Concerning sharing companies	60,033.70	-
Concerning sharing companies of the Metallurgy AG	239,293.32	88,530.97
Notes	451,521.57	-
Negotiated checks	42,543.10	-
Other liabilities	480,546.77	506,034.51
City Bank Quedlinburg		1,300,996.89
		<u>1,037,334.00</u>
Liabilities from the period after 8 May 1945		2,338,330.89
Liabilities from the period before 9 May 1945		4,116,355.63
Reserves from the difference between transfer value and book value of the parts of assets surrendered to the Metallurgy AG		23,329,195.55
Surplus of Assets over Liabilities		
Plant funds (Share on basic capital and reserves of the Eisen- und Hüttenwerke AG)	16,133,700.00	
From other sources	1,990,652.63	18,124,352.63
		<u>47,908,234.70</u>

DEFENDENCE PENDING

Special deposits  
Security mortgage

25,000.00

ATTACHMENT F- page 3

Attachment 11

	Balance value 31-7-46	Transfer thru Soviet Metal- lurgic AG	Reserve from book value
1. Property assets			
Built up land with busi- ness and residence buildings	902,114.00	3,182,280.00	2,280,166.00
Factory and other build- ings	1,123,972.00	7,886,394.00	6,762,422.00
Vacant land	366,676.80	707,082.44	340,405.64
Machine and machine appliances	870,661.00	7,316,311.79	6,445,650.79
Tools, industrial and business accessories	1.00)		
Implements and spare parts	148,834.61)	4,799,437.24	4,650,601.63
	3,412,259.41	23,891,505.47	20,479,246.06
2. Interests			
Organgesellschaften Schamotte und Silika- werke mbH, Thale	513,000.00	1,870,000.00	1,357,000.00
Wagner & Lange GmbH, Leipzig-Plagwitz	55,000.00	173,000.00	118,000.00
Hagel Handelsgesellschaft für Eisen, Hüttenbedarf und Stahl GmbH, Leipzig	50,000.00	152,000.00	102,000.00
	618,000.00	2,195,000.00	1,577,000.00
3. Circulating assets			
Raw, auxiliary, and industrial materials	4,155,292.07	4,732,897.90	577,605.83
Half finished products	1,727,639.86	2,020,868.93	293,229.07
Finished products, goods	2,248,399.00	2,650,513.59	402,114.59
	8,131,330.93	9,404,280.42	1,272,949.49
Totals	12,161,590.34	35,490,785.89	23,329,195.55

Notes on the Liquidation Proceedings by Auditor Peter Wissel:

In the evaluation of asset items taken over by the Soviet Metallurgy AG, it was brought up by the German interests that the individual items were not set at below 22 percent of their purchase value and that according to the German interpretation of the Soviet order, an evaluation under 22 percent was not permitted. The Russian attitude on this subject was that the total transfer value of the whole enterprise was not to be set below 22 percent of the cost of production. Some further explanation of the adjustment is still awaited on this point, so that the transfer value of the part of the assets taken over by the Metallurgy AG, which was calculated at 35,490,785.89 RM, may have to be lowered.

The effective value of the firm was estimated at about 40,000,000 RM.

Instructions of statute authority were provided for through the Referat of Security of Economy. Thus the preliminary security of the remaining enterprise has been abolished in favor of claims from the side of the mortgagee.

The liquidation had not yet been registered in the Trade Register and therefore the liquidators had no legitimate permission to carry on their business. The auditor was requested to wait for further instructions for liquidation. If any difficulties were occasioned by the mortgagee, the case was to be settled in the proper lower court.

ATTACHMENT G

Dipl. Kfm. Dr. Peter Baues  
Auditor, Tax Advisor  
Quedlinburger Strasse 19  
Dr. B./Sa.

Ballenstedt-Farz, 28 April 1947  
Office Poststrasse 90  
Telephone 417

To the Provincial Government of Saxony-Anhalt  
The Minister of Economy and Trade  
Main Division Economics  
For Auditor Hansen  
Halle/Saale, August-Bebel-Strasse 13

Subject: Liquidation of companies: Steinle & Hartung, Quedlinburg  
Your letter of 12 April 1947 - v.K/B1.

In answer to your letter referred to above, I enclose the following requested data for the firm of Steinle & Hartung.

1. Total amount of immediately available assets RM about 2.3 million
 

Actual tangible property (liquidation assets)	249,886.77	
---	------------	--
2. Total of transfer value
 

Property (Form Sheet 1)		
Work machines and permanent tools	78,504.93	
Installations for power, light, and heat	23,477.97	
Industrial establishment ("Ausstattung")	7,007.67	
Business establishment ("Ausstattung")	2,630.48	111,621.05
Buildings and Houses (Form Sheet 2)		
Built-up factory land	62,500.00	
Built-up residential land	26,453.00	
Arable land	6,000.00	
Building lots on Klopstockweg	1,760.00	
Factory and administrative buildings	86,135.00	
Residential buildings	15,474.00	198,322.00
Raw materials, supplies, power and heating materials (Form Sheet 3)		
Work, auxiliary, and industrial materials		166,396.57
Instruments and appliances (Form Sheet 4)		
Tools, appliances, measures, models		50,333.59
Uncompleted products (Form Sheet 5)		
Half finished and finished products		72,687.80
Finished products (Form Sheet 6)		
Half finished and finished products		60,734.31
	660,035.82	
Balance on hand	3,880.19	
Postal checking office Magdeburg	12,037.76	
Kreissparkasse Quedlinburg	2,299.57	
Stadt- und Kreisbank Quedlinburg	44,196.60	62,414.12
Blocked bank balance in the Deutsche Bank in Hannover:		
		6,952.00
Frozen bank balances	845,925.90	
Industrial property balance, Finance Office, Quedlinburg	30,000.00	
Payment Volkswagen	350.00	
Uncollectable claims	586,781.66	1,463,557.56

\* ( ) Comment: The German text reads "erforderlich ware" - "should be required."

REF ID: A66111

## ATTACHMENT G-- page 2

5. Total of liabilities and distribution of the amounts to balance items:
- |                              |                  |            |
|------------------------------|------------------|------------|
| From deliveries and services | 483,543.86       |            |
| Payments received            | 5,569.72         |            |
| Other obligations            | <u>46,343.59</u> | 535,457.17 |
6. Distribution of liabilities with reference to the terminal date 8 May 1945:
- |                   |                  |            |
|-------------------|------------------|------------|
| Before 8 May 1945 | 509,391.42       |            |
| After 8 May 1945  | <u>26,065.75</u> | 535,457.17 |
7. Sum of delivery liabilities received after 8 May 1945 and estimates as to how far they have been regulated meanwhile:
- |  |                   |  |
|--|-------------------|--|
| Delivery liabilities received after 8-5-45 | 659,894.66        |  |
| Regulated meanwhile                        | <u>651,528.81</u> |  |
8. Sum of preferred liabilities in consideration of the fixed order:
- |          |  |       |
|----------|--|-------|
| Wage tax |  | 53.90 |
|----------|--|-------|
9. No liabilities to the Bank of the Province of Saxony exist.
10. No land and rent indebtedness to mortgagees exists.
11. Surplus of transfer value 50,985.64
- Data for the firms Dessauer Waggonfabrik and Schmelwerk Gölzau will follow in a few days.

Respectfully,

Signed: Dr. Baues, Auditor

REF ID: A66111

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## ATTACHMENT H

Dr. Karl May, Auditor  
Naumburg/Saale, Domplatz 3

Naumburg, 2 April 1947  
Dr. M/Ri.

To the Provincial Government of Saxony-Anhalt  
Minister for Economy and Trade  
Main Division of Economics  
Department of New Order of Economics  
For Auditor Hansen  
(19a) Halle/Saale, August-Bebel-Strasse 13

Subject: Liquidation of companies whose assets have for the most part passed to Russian AGs.  
Specific: Braunkohle-Benzin-Aktiengesellschaft, Werk Zeitz (Brabag Zeitz)

In answer to your letter of 11-2-47, your number Hsn/Si., I enclose a status report of Braunkohle-Benzin AG, Werk Zeitz, for the situation on 31 January 1947.

The status is based on the opening balance of 1 August 1946, which is still in process of auditing and will be sent to you as soon as it is completed.

To your individual questions, we submit the following replies:

1. The total amount of current available assets is 119,674,590.84  
Of this, real assets are:  
    property value 1,482,072.00  
    circulating value 9,905,857.17 11,387,929.17

with the limitation that for probable sales losses in property values as a result of difficult evaluation of the respective parts of the property, a reserve is formed of: 1,000,000.00  
As far as possible beginning risks are settleable at the time only in claims from building cost subsidies, to the total of 580,511.00  
which, however, if occasion rises, will find sufficient coverage in the reserve for unforeseen matters.

These true assets, to the amount of about 11.4 million RM, stand opposite liabilities and reserves -- without considering the calculation account -- to the total of 8,005,557.88  
so that a coverage ratio of approximately 140 percent exists.

The calculation account (Verrechnungskonto) with the included total of 80,035,043.88 arose from the fact that at the beginning of May 1945 the property values until then managed by the main administration in Berlin were taken over by the factory. Furthermore, in this the financing of equipment and materials was handled through the main administration. Finally, all claims and indebtedness for this account were surrendered to the main administration before 9 May 1945. Because of the order, I mention that this account is not yet registered with the main administration.

2. Transfer values are distributed in the following manner:  
    Real estate 1,100,745.00  
    Buildings 18,357,712.00  
    Machines and machine equipment 59,548,978.00  
    Instruments and appliances 1,046,045.23  
    Raw, auxiliary, and industrial materials 21,976,516.26  
    Half finished products 1,388,831.64  
    Finished products 1,388,831.64

3. The liquid assets immediately available, according to the situation of 31 January 1947 amount to. 5,626,755.09  
The additional three months funds to the amount of three million RM have meanwhile increased, through pruning current bank accounts, to seven million RM.
4. The assets received in the estate whose inclusion in the value compensation items is undertaken amount to 3,154,736.53  
which are shown in the accompanying attachments.
- 5 and 6. The liabilities of: 575,663.62  
are also distributed to their balance items in the attachments and totaled as of 31 May 1945.
7. The delivery liabilities paid in the period between 1 August 1946 and 31 January 1947 amount to about 4,000,000.00
8. Preferred liabilities with reference to the fixed rules are: 44,117.52  
Additions in the reserves for taxes and other preferred claims are: 3,842,428.50  
Total 3,886,546.02
9. No liabilities to the Bank of the Province of Saxony exist.
10. Land and rent indebtedness are likewise lacking.
11. The difference arising between book value and transfer value is 38,703,724.49  
and is listed on the debit side of the balance as value correction (Wertberichtigung).

I hope that this information will be of use to you and will be glad to place any more at your disposal.

Respectfully,

Signed: Dr. Karl May

# ATTACHMENT

Status of Erabag Zeitz on 31 January 1947

## Assets

### Property assets

Machines and machine installations		
In the factory	1,207,055.00	
With other firms	275,017.00	1,482,072.00

### Circulating assets

Down payments made	270,070.85	
Claims from goods deliveries and services	176,728.20	
Claims from building cost subsidies	580,511.00	
Other claims	251,792.03	
Cash and postal checks	9,959.74	
Bank balances (including 3 million RM insured deposit (Festgelder))	3,616,798.35	9,905,857.17

Transfer claims		105,151,925.14
-----------------	--	----------------

### Value compensation items

Payments made	2,774,231.80	
Claims from goods deliveries and services	28,057.24	
Claims to Erabag offices	230,895.98	
Other claims	121,641.43	3,154,736.53

Surplus of debits over credits		7,099,735.41
--------------------------------	--	--------------

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ATTACHMENT H - page 3

	<u>Liabilities</u>	
Negotiable account (Verrechnungskonto)		80,065,043.88
Value adjustment (Wertberichtigung)		38,703,724.49
Reserves		7,429,894.26
Liabilities from goods deliveries and services	507,657.52	
Other liabilities	<u>68,006.10</u>	575,663.62
		<u>126,774,326.25</u>

ATTACHMENT J

Treuhand Aktiengesellschaft  
W/P.-Auditing Company

Magdeburg, 8 May 1947  
Albrechtstrasse 4 S./Wl.

To the Provincial Government of Saxony-Anhalt  
Minister for Economy and Trade  
Main Division of Economics  
Halle/Saale, August-Bebel-Strasse 13

Subject: Your letter of 11-2-47 and 14-4-47  
Maschinenfabrik Buckau R. Wolf AG i. L., Magdeburg

The transfer of parts of the firm to the Soviet AG for Machine Construction is ordered, effective as of 1 March 1947. The deed of transfer, that is, survey and evaluation of the part of the firm surrendered, has not yet taken place. For this reason it is impossible to supply the final balance of 28 February 1947 and the liquidation opening balance of 1 March 1947. Although the company does not belong to that class of firms which according to your letter of 11 February 1947 are to make a survey of assets as of 31 January 1947, we enclose a survey to this effect (Attachment I), which we prepared on the basis of an interim balance submitted but not examined by us for 31 January 1947. Further, we enclose as Attachment II an exposition of the sharers of the company.

Subject: Value of assets and liabilities after 8 May 1945  
The bookkeeping director and assistant liquidator, Huber, shows the situation of this group in the following figures, for 23 April 1947

Assets	RM	RM	RM
Bank and postal	333,000.00		
checking balances			
Less Pfordmenges, KStn	<u>138,000.00</u>	195,000.00	
Payments to contractors		1,000,000.00	
Claims from goods deliveries		970,000.00	
Other claims		<u>250,000.00</u>	2,415,000.00
 Liabilities			
Reserves		403,000.00	
Payments from customers		439,000.00	
Liabilities from goods deliveries		848,000.00	
Other liabilities		<u>254,000.00</u>	1,944,000.00
 Surplus of Assets			471,000.00
 + Claims from reparations deliveries			<u>1,684,000.00</u>

Respectfully

Treuhand Aktiengesellschaft

(signature)

2 Attachments

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APPENDIX J - page 2

Attachment I *Joint Steel Company*  
 Maschinenfabrik Buckau R. Wolf Aktiengesellschaft i.L., Magdeburg  
 Survey of Assets on the Basis of the Monthly Balance to 31 January 1947

Assets

1. Value of assets from the period after 8 May 1945			
a. Cash on hand	38,139.05		
b. Bank and postal checking accounts	198,050.10		
Exchange and checks	3,605.70	239,794.85	
c. Mortgages	157,011.83		
Payments to contractors	1,177,037.66		
Claims from goods deliveries	3,037,589.99		
Other claims	379,405.73	4,751,045.21	4,990,840.06
2. Value of assets from the period before 9 May 1945 (Wertaussgleichsposten)			
Real estate, buildings, and equipment in Grevenbroich		132,842.00	
Shares, bookvalue	2,851,366.35		
Less depreciation	2,851,366.35	-	See Attach II
Claims to subsidiary companies	4,370,063.74		
Less depreciation	4,370,063.74	-	
Securities		3,464,237.71	
Mortgages		10,629.24	
Payments to contractors		2,730,990.84	
Claims from goods deliveries		22,853,451.86	
Other claims		8,388,101.71	
Bank and postal checking accounts		373,051.61	37,953,304.97
3. Value of assets surrendered wholly or for the most part to the Soviet AG (all in book value)			
a. Real estate	1,184,063.74		
Business and residential bldgs	402,333.25		
Factory buildings	3,884,167.91		
House rent tax devaluation	285,060.00	5,755,624.90	
b. Machines and machine installations	4,476,056.00		
Tools, inventory, models, patents	3.00	4,476,059.00	
c. Stock on hand		14,839,466.55	25,071,150.45
			68,015,295.48

Liabilities

1. Liabilities from the period after 8 May 1945			
a. Estimated raw lump costs	300,000.00		
Reserves	805,559.00		
Payments from customers	584,781.00		
Liabilities from goods deliveries	1,124,091.17		
Other liabilities	446,693.74		
Items of Requisitioning	36,292.06		
		3,357,416.97	

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ATTACHMENT J - page 3

b. Liabilities to the Bank of the City of  
Magdeburg and the Sparkasse

14,365,024.87

2. Liabilities from the period before 9 May 1945

Reserves for pension obli-	
gations (capitalized)	373,251.98
Reserves for various pur-	
poses	319,601.45
Payments from customers	19,847,340.22
Liabilities from goods	
delivery	4,320,137.15
Liabilities to dependent	
companies	266,034.07
Liabilities to banks	366,560.02
Other liabilities	1,483,618.19

26,976,543.10

3. Compensation items (Ausgleichsposten)

Basic capital	20,000,000.00
Established reserves	2,000,000.00
Other reserves	9,179,367.81
+ Reserves for old claims	930,835.00
Reserves for property	
depreciation	100,000.00

32,210,202.81

- Debit balance carried	
forward	1,086,971.50

Debit balance in January	
1947	225,490.68

+ Depreciation of shares	2,351,366.35
--------------------------	--------------

Depreciation of claims	
to subsidiary companies	4,370,063.74

Estimated raw mass costs	300,000.00
--------------------------	------------

3,893,892.27

23,316,310.54

68,015,295.48

Notes to Liabilities 1 b: Liabilities to banks to 1 March 1947 amounted to:

Bank of the City of Magdeburg reparations credit	12,204,000.00
--	---------------

Supporting account, reparations credit	1,270,000.00
--	--------------

Stadtsparkasse	1,704,000.00
----------------	--------------

15,178,000.00

Attachment II

Sharers of Maschinenfabrik Puckau R. Wolf Aktiengesellschaft i.L., Magdeburg

	Company Capital	Per- Cent	Sharers Portion	Book Value
1. Otto Gruson & Co. KG Magdeburg	837,575.75	100	837,575.75	810,000.00
+ Loans				(300,000.00)
Industrial credit				(83,300,000.00)
2. Maschinenfabrik Greven- broich AG, Magdeburg	100,000.00	100	100,000.00	1.00
+ Industrial credit				(21,100,000.00)
3. Stahlwerk Augustfehn AG, Augustfehn i.O.	600,000.00	60	360,000.00	117,960.15
4. Breest & Co. GmbH, Magdeburg	50,000.00	50	25,000.00	20,001.00
5. Zeitzer Eisengießerei und Maschinenbau AG, Zeitz	1,680,000.00	220	1,327,500.00	1,903,404.20

Book value total (without loans and industrial credit)

2,851,366.35

ATTACHMENT J - page 4

Maschinenfabrik Buckau R. Wolf AG  
Preliminary Liquidation Opening Balance for 28 February 1947  
(Book Balance of 31 March 1947)

Assets

Claims to the Provincial Government for taxes from value of assets to reparations accounts		
Real estate, buildings, machines, in Magdeburg	10,860,538.05	
Goods on hand in Magdeburg	14,229,994.66	25,090,532.71
Remaining property assets		
Real estate in Aschersleben (20 houses)	78,504.90	
Real estate in Grevenbroich (1 factory lot including machines, 39 houses)	132,842.00	211,346.90
Assets with risks		
Shares	2,851,366.35	
Securities	3,464,237.71	
Active mortgages	174,276.07	
Claims to subsidiary companies	4,276,146.83	
Special payments made before 9-5-45	2,730,990.84	
Goods claims made before 9-5-45	23,728,438.80	
Other claims originated before 9-5-45 (including War Damage Office)	8,473,028.62	
Bank and postal checking office before 9-5-45	373,046.61	46,071,531.83
Claims originated after 9-5-45		
Special payments	1,024,893.41	
Claims for reparations deliveries	1,684,493.00	
Claims based on goods deliveries and services	1,059,466.69	
Other claims	153,238.88	
Postal checks and banks	333,659.66	4,255,751.64
Debit balance		
Carried forward from 1946	1,086,971.50	
Debit balance January-February 1947	782,760.93	1,869,732.43
		77,498,895.51

Liabilities

Capital and reserves		
Basic capital	20,000,000.00	
Established reserves	2,000,000.00	
Other reserves	9,179,367.81	31,179,367.81
Depreciation Funds		
Liabilities pertaining to the period before 9-5-45		
Reserves for pension obligations	370,941.99	
Reserves for 1947 calculated old claims	2,809,631.39	
Other reserves	319,601.45	
	3,500,174.83	
Payments from customers	18,631,548.87	
Liabilities for goods deliveries and services	4,339,362.13	
Liabilities to subsidiary companies	266,034.07	
Liabilities to banks	373,924.41	
Other liabilities	1,462,545.89	28,573,590.20
Liabilities received after 9-5-45		
Reserves for taxes and imposts 1946	175,092.00	
Reserves for possible price discounts 1946	175,092.00	
Reserves for bank rents 1/1947	120,000.00	

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ATTACHMENT J - page 5

Reserves for taxes 1947 etc.	101,280.00	535,259.00	
Payments from customers	440,594.64		
Contract indebtedness	847,704.29		
Other liabilities	273,586.44	1,561,885.37	
Items of Rechnungsabgrenzung		1,165.36	
		2,098,309.73	
Liabilities to banks	15,447,627.77	17,545,937.50	
		77,498,895.51*	

25X1A6a\* **Comment:** The total liabilities actually add up to 77,298,895.51. Whether this discrepancy of totals is due to an error in copying some figure or to the omission of an item of 200,000 RM (perhaps for depreciation funds) could not be ascertained.

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## ATTACHMENT K

Dr. Röttger Romberg, Auditor

Halle/Saale  
10 March 1947Provincial Government of Saxony-Anhalt  
Main Division of Economics  
Department of New Order of Economics  
Halle/Saale, August-Bebel-Strasse 13Subject: Liquidation of companies whose assets have for the most  
part been taken over by Soviet AGs: Schäffer & Budenberg  
GmbH, Magdeburg

To the questions in your letter of 11 February 1947 I return the following explanation. I enclose the statement with the note that I cannot give an exact account because so far it has never been possible to put out the liquidation opening balance. The bookkeeping of Schäffer & Budenberg GmbH is still too far in arrears, on the one hand, and on the other, the Russian general direction does not permit the concluding work, because urgent assignments were first to be accomplished for the Soviet AG for Tool Construction. The following figures were derived from statistical compilation or were compiled specially for the purposes of answering you.

1. Total amount of currently realizable assets: 48,741,000.00 <sup>RM</sup>

This amount includes claims for compensation for war damage suffered and for property assets surrendered to the Soviet AG for Tool Construction.

2. Sum of transfer values and distribution by balance items:

Built up land	1,233,000.00	
Vacant land	11,000.00	
Buildings	5,730,000.00	
Machines and machine installations	7,512,000.00	
Undurable economic goods	3,638,000.00	
Raw, auxiliary, and industrial materials	2,583,000.00	
Half finished products	2,652,000.00	
Finished products	6,556,000.00	29,915,000.00

3. Liquid assets immediately realizable 82,000.00

4. Assets held in the firm whose inclusion in the so-called Value Compensation Items was required by the orders of the Central Finance Administration \*(See [REDACTED] Comment on Attachment E)

Foreign shares	663,000.00
Payments	102,000.00
Goods deliveries	7,382,000.00
Foreign concern claims	516,000.00
Blocked postal checking and bank accounts, cash on hand from the west	571,000.00
Other claims upon the war damage office, upon the army offices, and claims from other war preparations	9,000,000.00
	18,234,000.00

As far as the transfer value is included, the amount comes to 29,915,000.00 48,149,000.00

5. Total of liabilities and distribution to balance items:

Mortgages	183,000.00
Secured long-term loans	10,945,000.00
Unsecured long-term loans	185,000.00
Payments from customers	4,335,000.00
Contract liabilities	1,912,000.00
Other liabilities	158,000.00
Banks	5,322,000.00
Other liabilities	2,000,000.00

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ATTACHMENT K - page 2

6. Distribution of liabilities with reference to the terminal date 8 May 1945:
- |                           |                     |               |
|---------------------------|---------------------|---------------|
| Liabilities before 8-5-45 | 26,339,000.00       |               |
| Liabilities after 8-5-45  | <u>4,774,000.00</u> | 31,113,000.00 |

7. Sum of delivery liabilities received after 8 May 1945 and estimates as to how these have been regulated meanwhile:

The total extent of delivery liabilities received after 8-5-45 I cannot supply in the brief time at my disposal. From an interim balance to 31-7-46, I note that at that moment the delivery indebtedness on hand was about:

259,000.00

Additional sums for goods entered before August 1946:

400,000.00  
659,000.00

On this there was paid on the side of the Soviet AG for Tool Construction, about

362,000.00

Thus at the time the unsettled delivery indebtedness was about

297,000.00

8. Sum of the delivery liabilities received after 8 May 1945 and estimate as to how far these have been regulated meanwhile:

To the indebtedness which was preferred under bankruptcy laws, according to a general revision of individual items, there is about

230,000.00

9. Total liabilities in consideration of established orders:

The total bank indebtedness given above under No. 5 is to the Bank of the Province of Saxony and its branches, the Bank of the City of Magdeburg, and the Kreis- und Stadtbank Burg, in the following distribution:

Before 8 May 1945	2,261,000.00	
After 8 May 1945	<u>3,061,000.00</u>	5,322,000.00

In this total is a credit of the Stadtsparkasse Magdeburg to the amount of 111,000 RM, which is likewise to be considered as coming from the Bank of the Province of Saxony, since agreements provide that the provincial bank will take over this credit.

10. Total of possible land and rent indebtedness with estimates of mortgages, as far as the sums involved are over 50,000 RM:

Deutsche Industriebank, Berlin	13,444,000.00	
Bank der Deutschen Luftfahrt, Berlin	<u>1,962,000.00</u>	
	15,406,000.00	

Smaller mortgages with individual claims under 50,000 RM

183,000.00 15,589,000.00

Actually, outside of the claims which the Treuhandverwaltung für das Deutsch Niederländische Finanzabkommen (Tredefina) has against Schäffer & Eudenberg for 1,539,000 RM, claims are certified by goods conveyance. The actual security of this credit was, however, further lost when the Soviet AG for Tool Construction took over the goods in spite of notification of the existing liens.

\* Note: The interest which was received after 8 May 1945 has been added to the capital indebtedness from time to time.

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ATTACHMENT K - page 3

11. As far as differences exist between transfer value and book value, I beg you to name this total as surplus or deficit:

A surplus of about 11,400,000 RM exists in the transfer value as opposed to the current book value. On this I must comment, however, that the transfer lists have not yet officially come to my view; the Russian general direction has until now refused to surrender the lists to me. I have unfortunately found no support from the former German directors of the firm who have now gone over to Russian service for my requests for the transfer lists.

Signed: Romberg

Auditor

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